

## **Position of the Board of the German Rectors' Conference (HRK) of 21 April 2016**

### **Contribution to the Public Consultation of the EU Commission**

#### **„Designing a European Innovation Council. A Call for Ideas – Survey“**

German universities are innovation drivers and play a central role in the knowledge triangle due to their interlinked contributions to education, research and innovation. The German Rectors' Conference (HRK) welcomes and supports all initiatives that aim to improve the funding landscape for innovation. The creation of the new instrument and European brand 'European Innovation Council (EIC)' should be based on a thorough review of the current programs of Horizon 2020 and of the programs co-funded by the 'European Structural and Investment funds (ESIF)' that have been launched after 2014. This midterm review is scheduled for 2017. At this stage the concept of an EIC therefore is discussed within the scope of the existing framework program Horizon 2020. For the time being, the EIC should be introduced as a flexible 'umbrella brand' that can be animated and developed subsequently based on the midterm evaluation results.

The idea of a 'European Innovation Council' is inspired by the success of the 'European Research Council' (ERC). The ERC has evolved into a European and worldwide brand for excellent basic and frontier research. Its budget should remain untouched. The ERC projects contribute to the European pool of knowledge, which creates the basis for disruptive innovation. The ERC is funding leading researchers and their ideas. At the same time it stimulates a highly productive competition of countries and universities in Europe for hosting these researchers thus creating a clear 'European added value'.

When discussing the scope of a future EIC, it should be questioned whether individual grants for single startups, spin offs and new companies on EU-level can create a European 'added value' that excels the quality of the existing regional (partly co-founded by ESIF) or national funding. For the time being, the HRK doubts whether EIC grants to single companies would ignite a similar European wide competition for hosting these innovators. In addition it is doubtful whether regions and member states would actively support such a competition.

Considering the limited financial resources available for an EIC within Horizon 2020 and the general problems with oversubscription already at this stage, HRK proposes to offer EIC grants to applicants consisting of teams from two or more EU member states. Such a condition would ensure a clear European 'added value' of the new instrument. This

funding would have to be provided out of the budget foreseen for Part II “Industrial Leadership” of Horizon 2020. The EIC could start with a pilot after the midterm review. The EU, however, will not be able to permanently serve as a substitute for insufficient or missing regional and national innovation support without overstretching its resources.

Independently of the Horizon 2020 midterm review results, the EIC could assume the function of a virtual umbrella for existing EU innovation funding programs. It could also detect and advise on gaps in the seamless fit of and access to these funding measures at the different levels of the innovation process. These services could be provided to funding programs for single companies or European teams. This would constitute an advisory as well as a regulatory function of the EIC.

The EIC could also jointly present and advertise existing EU innovation funding programs now scattered all over the framework program, without necessitating substantial changes of the existing structure of Horizon 2020 at this stage.

From the point of view of HRK this might apply to the following instruments:

- “Proof of Concept” of the European Research Council (ERC)
- Future and Emerging Technologies (FET Launchpads, -Greenhouses, -Proactive, -Flagships)
- The “European Industrial Doctorates” and “RISE” (intersectoral exchange of staff) of the Marie Skłodowska-Curie Actions
- The SME-Instrument
- Fast Track to Innovation
- The European Institute of Innovation and Technology (EIT)
- Public-Private-Partnerships (Contractual PPPs and Joint Technology Initiatives)

An EIC could thereby strategically tie together the available European innovation funding for innovators. In addition, it could offer advice to the EU, the European Commission as well as funding agencies in shaping their future programs.

The universities underline that the desired disruptive innovations mostly emerge ‘bottom-up’ and not top down via public planning and steering. Therefore the main tasks of an EIC will be to enable and support the ‘bottom-up’ interaction of innovation-oriented researchers and research based innovators with business and commerce on a level playing field. Collaborative Research of small and medium sized teams from science and business is the prerequisite for this. It constitutes the link between the findings from basic and pioneering research and innovation in existing companies and newly founded businesses. This indispensable instrument needs to be revitalized in Horizon 2020.